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Grand Jurors Link Some Deaths to

Project Allegedly Established

t for Explosives Schooling

.... By ROBERT PEAR
... Special to The New York Times

WASHINGTON, April 25 — Federal agents arrested Frank K. E. Terpil, a suspected international arms dealer, on Friday after a Federal grand jury returned an indictment that accused him of shipping explosives abroad, conspiring to commit murder and training terrorists in Libva.

The indictment charged that Mr. Terpit and two other Americans conspired to supply explosives to Libya while teaching other people how to make explosives in a terrorist training project. As part of this, the grand jury said, the three arranged to have ashtrays, lamps, alarm clocks, flower vases, refrigerators, television sets and radios turned into bombs with concealed explosives.

The indictment said that "one or more of these bombs killed several Libyans" and injured three Americans who were involved in the terrorist training project. The deaths and injuries were accidental, according to Assistant United States Attorney E. Lawrence Barcella Jr.

Accused in Manhattan Case

The 40-year-old Mr. Terpil, a former Central Intelligence Agency officer, was arrested Iast December in Manhattan, where prosecutors said that he had tried to sell 10,000 machine guns to undercover detectives. The Manhattan District Attorney, Robert M. Morgenthau, said that Mr. Terpil had sold \$3.2 million worth of arms and other goods to former President Idf Amin of Uganda. Mr. Terpil was released in \$100,000 bail and is awaiting trial in that case.

The indictment returned Friday mentioned only Libya, not Uganda. Indicted with Mr. Terpil, but not arrested, were Edwin P. Wilson, described as the president of Consultants International, a consulting and marketing organization, and Jerome-S. Brower, president of an explosives manufacturing company in Pomona, Calif.

In an interview last month at his home in McLean, Va., Mr. Terpil acknowleged selling military products and other items to Libya and Uganda; but he insisted that he had not violated any laws.

Mr. Barcella said that Mr. Terpil was arrested about noon at the Secret Service Training Academy in Beltsville, Md., where he was trying to sell some of his products.

The arrest was made by agents from the Federal Bureau of Alcohol, Tobacco and Firearms. A Federal magistrate ordered Mr. Terpil held in \$100,000 bail. He is to be arraigned next Friday.

The magistrate issued a warrant for the arrest of Mr. Wilson, who was believed in North Africa or Europe. The Government said Federal investigators had notified Mr. Brower's lawyer of the indictment and expected him in court next Friday.

The indictment said that Mr. Terpil had used his association with the C.I.A. to recruit someone to murder a former member of the Libya's ruling Revolutionary Council, Umar Abdullah Muhayshi. Mr. Terpil and Mr. Wilson were said to have offered to pay the assassin \$1 million and, according to the indictment, Mr. Wilson delivered \$30,000 in expenses. The killing was not carried out, Mr. Barcella said.

The indictment also said Mr. Terpii and Mr. Wilson acted as Libyan agents without notifying the State Department. It added that the three men distributed payments in cash and, on other occasions, through bank accounts in Switzerland in an effort to conceal payments for work done in connection with the training of Libyan terrorists.

They also hired "numerous American citizens" and shipped high explosives on commercial cargo aircraft to conceal the nature of their activities from Federal authorities, the indictment said.